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SENSITIVE SIPDIS

FOR DAS MCMULLEN AND DASD JOHNSON FROM AMBASSADOR BAXTER STATE ALSO FOR WHA/BSC DASCHBACH

E.O. 12958: N/A

TAGS: OVIP PREL ECON UY

SUBJECT: SCENESETTER FOR TRIP TO URUGUAY OF DASD STEPHEN JOHNSON AND WHA DAS CHRISTOPHER MCMULLEN, OCT 27-30, 2008

REF: MVD 583 AND PREVIOUS

11. (U) This telegram is sensitive but unclassified, and not for Internet distribution.

SUMMARY

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12. (SBU) Your visit comes at a time of strong and growing engagement between the U.S. and Uruguay's left-leaning Frente Amplio (FA) coalition government. Our areas of focus include trade, education, science and technology, and counter-narcotics cooperation. Our military-to-military relationship is also prospering, with increasing cooperation as Uruguay's armed forces assume a wider regional profile. The bilateral relationship overall is solid, and local polling shows that over 55 percent of Uruguayans have a positive image of the U.S., a favorable percentage for the region and up from just 36 percent in 2003. We are working with all segments of Uruguayan society to ensure a continuation of those positive circumstances beyond the 2009 presidential and legislative elections, campaigning for which has already begun. End Summary.

Uruguay Today

¶3. (U) Uruguay is a stable, democratic nation of 3.3 million people, almost half of them residing in its capital, Montevideo. Uruguay is one of Latin America's wealthiest and most egalitarian countries, despite a four-year long severe recession that ended in 2003, cut personal income nearly in half and lowered Uruguay's historically excellent socio-economic indicators.

Current Politics

- 14. (SBU) President Vazquez has charted a moderate course since taking office after the Frente Amplio's first-ever victory in October 2004. Until its rise from opposition, the FA rallied its followers with considerable anti-U.S. rhetoric, and both the USG and the FA were unsure how the relationship would proceed when the FA came to power. However, President Vazquez has consistently demonstrated a desire for strong relations with the U.S. and a willingness to pursue a cooperative agenda to that end, including active trade discussions with the USG.
- 15. (SBU) With national elections in October 2009, the Vazquez administration is coming into its home stretch. President Vazquez maintains high approval ratings, and his handling of the FA coalition of disparate parties is widely admired. He is determined to ensure his legacy as a moderate and practical head of state, as well as position his party for the 2009 elections. A March 2008 cabinet shake-up eased out ideologues, put in technocrats, and placed a new emphasis on a more stable and balanced foreign policy. Vazquez' program also focuses on social and labor policies. Our bilateral relationship under Vazquez has been productive, but

election-year politics -- jockeying within each party for its presidential candidacy has already begun in earnest -- might limit the public profile of our cooperation over the next year.

Political System and 2009 Presidential Candidates

- 16. (U) Uruguay's constitution institutionalizes a strong presidency, subject to legislative and judicial checks. The constitution also provides for a bicameral General Assembly (congress). A 30-member Senate and 99-member Chamber of Deputies comprise the General Assembly. Uruguay's presidents and members of both houses of congress serve five-year terms.
- 17. (U) There are three major political parties in Uruguay: the ruling Frente Amplio; the National (Blanco) Party; and the Colorado Party. The two traditional parties, the Blancos and Colorados, were